

## Message Text

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ACTION EUR-12

INFO OCT-01 EA-10 ISO-00 SP-02 USIA-06 AID-05 EB-08  
NSC-05 TRSE-00 SS-15 STR-07 OMB-01 CEA-01 CIAE-00  
FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04  
SIL-01 L-03 H-01 PA-01 PRS-01 OES-07 IGA-02  
(ISO) W

-----097410 310705Z /41

R 301125Z JAN 78  
FM AMEMBASSY PRAGUE  
TO SECSTATE WASHDC 4595  
INFO USDOC WASHDC  
AMEMBASSY BELGRADE  
AMEMBASSY BERLIN  
AMEMBASSY BUCHAREST  
AMEMBASSY BUDAPEST  
AMEMBASSY MOSCOW  
AMEMBASSY SOFIA  
AMEMBASSY WARSAW  
AMEMBASSY TOKYO

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E.O. 11652: NA  
TAGS: ETRD, EIND, CZ  
SUBJECT: OWENS-ILLINOIS SIGNS AGREEMENT ON COLOR TV TUBE GLASS

1. REPRESENTATIVES OF OWENS-ILLINOIS, MAJOR U.S. GLASS  
MANUFACTURER BASED IN TOLEDO, OHIO, AND POLYTECHNA, CZECHOSLOVAK  
FTO HANDLING PURCHASES AND SALES OF TECHNOLOGY, SIGNED AGREEMENT  
IN PRAGUE JANUARY 26 UNDER WHICH SPECIALTY GLASS FOR COLOR  
TELEVISION TUBES WILL BE PRODUCED IN CSSR UNDER O-I LICENSE.  
THOMAS HUBER, O-I VICE PRESIDENT, AND JAN KOSTAL,  
POLYTECHNA COMMERCIAL DIRECTOR, SIGNED AGREEMENT.  
O-I OFFICIAL HAS ASKED EMBASSY AND USG OFFICIALS IN WASHINGTON AND  
ELSEWHERE NOT TO PUBLICIZE ANY INFORMATION ON AGREEMENT UNTIL  
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TOLEGO HEADQUARTERS MAKES PRESS RELEASE PUBLIC.

2. UNDER AGREEMENT, SKLO UNION (TRUST WITH FIVE PLANTS PRODUCING  
SPECIALTY GLASS IN MORAVIA AND BOHEMIA) WILL BUILD NEW \$30 MILLION  
FACILITY IN VALASSKE MEZIRICI, TO PRODUCE GLASS PARTS FOR 600,000  
ANCILLARY COLOR TV TUBES. CONSTRUCTION TO BEGIN 1980; PRODUCTION  
START SCHEDULED FOR 1983. OUTPUT WILL BE SOLD TO TESLA (ELECTRONICS

TRUST), WHICH WILL PRODUCE FINISHED TV TUBES IN NEW \$20 MILLION PLANT AT NEARBY ROZNOV POD RADHOSTEM UNDER LICENSE FROM TOSHIBA OF JAPAN. O-I WILL RECEIVE BETWEEN \$7.5 AND \$10 MILLION AS PAYMENT FOR LICENSE, KNOW-HOW AND CONSULTATIVE SERVICES. RCA WILL ALSO EARN \$5 MILLION FOR LICENSE SIGNED EARLIER WITH POLYTECHNA IN NEW YORK. TOTAL FOREIGN CURRENCY COST OF COLOR TV TUBE PROJECT WILL BE APPROXIMATELY \$90 MILLION, LION'S SHARE OF WHICH WILL GO TO TOSHIBA IN PAYMENT FOR MACHINERY, LICENSE, KNOW-HOW, CONSULTATIVE SERVICES, ETC. AGREEMENT ALLOWS EXPORT OF TV TUBES TO MOST THIRD COUNTRIES, EXCEPT U.S. AND JAPAN.

3. COMMENT: WHILE DEAL IS GOOD NEWS FOR O-I, IT HARDLY REPRESENTS TRIUMPH FOR RCA. HAD CZECHOSLOVAKS OPTED FOR DEAL SIMILAR TO ONE POLES SIGNED, RCA WOULD HAVE PROVIDED GLASS TECHNOLOGY AND MOST OF WHAT TOSHIBA WILL ACTUALLY SUPPLY FOR TOTAL FAR EXCEEDING \$5 MILLION IT WILL IN FACT RECEIVE. O-I PERSONNEL ARE OPTIMISTIC THEY WILL SELL SOVIETS ON SIMILAR AGREEMENT AND ARE THUS EAGER TO KEEP QUIET FOR NOW ABOUT CZECHOSLOVAK DEAL.

4. WHERE CZECHOSLOVAKAS (NOT TO MENTION POLES AND OTHER CEMA STATES) EXPECT TO EXPORT COLOR TV TUBES THEY PRODUCE WHICH ARE EXCESS TO THEIR DOMESTIC NEEDS APPARENTLY REMAINS A MYSTERY TO ALL CONCERNED. AS SMILING LOCAL MITSUI REP, WHO REPRESENTED TOSHIBA IN NEGOTIATIONS WITH CZECHOSLOVAKS, SAID TO E/C COUNSELOR AT SIGNING CEREMONY, "THAT IS UNSOLVED PROBLEM." DECONTROL JULY 26, 1978.

BYRNE

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AGREEMENTS, TUBES, GLASS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 30 jan 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978PRAGUE00244  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780045-0713  
**Format:** TEL  
**From:** PRAGUE  
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**Legacy Key:** link1978/newtext/t1978017/aaaaafza.tel  
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**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
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**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
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**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3784957  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** OWENS-ILLINOIS SIGNS AGREEMENT ON COLOR TV TUBE GLASS  
**TAGS:** ETRD, EIND, CZ  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
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